

## Message Text

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51

ACTION EUR-12

INFO OCT-01 ISO-00 EURE-00 INRE-00 SSO-00 NSCE-00 USIE-00

ERDA-05 AID-05 CEA-01 CIAE-00 CIEP-01 COME-00 DODE-00

EB-07 FEAE-00 FPC-01 H-01 INR-07 INT-05 L-02 NSAE-00

NSC-05 OMB-01 PM-03 SAM-01 OES-03 SP-02 SS-15 STR-01

TRSE-00 FRB-03 PA-01 PRS-01 ERDE-00 /084 W

----- 040183

O R 251850Z FEB 75

FM AMEMBASSY LONDON

TO SECSTATE WASHDC IMMEDIATE 8632

INFO AMEMBASSY BONN

AMEMBASSY BRUSSELS

AMEMBASSY COPENHAGEN

AMEMBASSY DUBLIN

AMEMBASSY LUXEMBOURG

AMEMBASSY PARIS

AMEMBASSY ROME

AMEMBASSY THE HAGUE

AMEMBASSY OSLO

USMISSION EC BRUSSELS

USMISSION OECD PARIS

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E.O. 11652: N/A

TAGS: ENRG UK

SUBJECT: BRITISH GOVERNMENT SETS PETROLEUM REVENUE TAX  
(PRT) AT 45 PERCENT

1. IN A STATEMENT TO COMMONS FEBRUARY 25 PAYMASTER  
GENERAL DELL ANNOUNCED DETAILS OF PETROLEUM REVENUE TAX.  
TEXT OF ADVANCE COPY DELL'S STATEMENT TRANSMITTED SEPTEL.  
MAIN POINTS FOLLOW:

A. TAX IS AT FLAT RATE OF 45 PERCENT.

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B. 175 PERCENT (IN LIEU OF 150 PERCENT ORIGINALLY PRO-

POSED) OF CAPITAL EXPENDITURES MAY BE DEDUCTED BEFORE  
PRT IS COMPUTED.

C. THE FIRST ONE MILLION TONS OF OIL PER YEAR FROM EACH  
FIELD WILL BE FREE OF PRT.

D. SECRETARY OF STATE FOR ENERGY CAN EXEMPT ROYALTIES  
ON MARGINAL FIELDS.

E. TO THE EXTENT THAT PRT WOULD REDUCE RETURN ON CAPITAL  
TO FIGURE BELOW 30 PERCENT OF CAPITAL EXPENDITURE MEA-  
SURED ON HISTORIC COST, PRT WILL BE CANCELLED.

2. OFFICIAL OF FCO ENERGY DEPARTMENT EMPHASIZED TO US  
THAT GOVERNMENT HAD TAKEN ACCOUNT OF VIEWS OF COMPANIES  
AND EXPRESSED OPINION THAT PRINCIPAL OPPOSITION TO  
GOVERNMENT'S TAX PROPOSALS WOULD COME FROM ITS OWN LEFT  
RATHER THAN FROM OIL COMPANIES.

SPIERS

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NNN

## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** PETROLEUM, IMPORTS, TAXES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 25 FEB 1975  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** GolinoFR  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
**Document Number:** 1975LONDON02897  
**Document Source:** CORE  
**Document Unique ID:** 00  
**Drafter:** n/a  
**Enclosure:** n/a  
**Executive Order:** N/A  
**Errors:** N/A  
**Film Number:** D750066-0452  
**From:** LONDON  
**Handling Restrictions:** n/a  
**Image Path:**  
**ISecure:** 1  
**Legacy Key:** link1975/newtext/t19750215/aaaaanlb.tel  
**Line Count:** 78  
**Locator:** TEXT ON-LINE, ON MICROFILM  
**Office:** ACTION EUR  
**Original Classification:** LIMITED OFFICIAL USE  
**Original Handling Restrictions:** n/a  
**Original Previous Classification:** n/a  
**Original Previous Handling Restrictions:** n/a  
**Page Count:** 2  
**Previous Channel Indicators:** n/a  
**Previous Classification:** LIMITED OFFICIAL USE  
**Previous Handling Restrictions:** n/a  
**Reference:** n/a  
**Review Action:** RELEASED, APPROVED  
**Review Authority:** GolinoFR  
**Review Comment:** n/a  
**Review Content Flags:**  
**Review Date:** 16 APR 2003  
**Review Event:**  
**Review Exemptions:** n/a  
**Review History:** RELEASED <16 APR 2003 by KelleyW0>; APPROVED <17 APR 2003 by GolinoFR>  
**Review Markings:**

Margaret P. Grafeld  
Declassified/Released  
US Department of State  
EO Systematic Review  
05 JUL 2006

**Review Media Identifier:**  
**Review Referrals:** n/a  
**Review Release Date:** n/a  
**Review Release Event:** n/a  
**Review Transfer Date:**  
**Review Withdrawn Fields:** n/a  
**Secure:** OPEN  
**Status:** NATIVE  
**Subject:** BRITISH GOVERNMENT SETS PETROLEUM REVENUE TAX (PRT) AT 45 PERCENT  
**TAGS:** ENRG, EFIN, UK  
**To:** STATE  
**Type:** TE  
**Markings:** Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 05 JUL 2006